

COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING; FY 08-09 BUDGET REQUEST

Schedule 13 Change Request for FY 08-09 Budget Request Cycle											
Request Title:		Decision Item FY 08-09	Base Reduction Item FY 08-09	Supplemental FY 07-08	Budget Request Amendment FY 08-09						
Department:		Health Care Policy and Financing		Dept. Approval by: John Bartholomew		Date: November 1, 2007					
Priority Number:		DI-15		OSPb Approval: [Signature]		Date: 10/23/07 for 11/1/07					
		1	2	3	4	5	6	7	8	9	10
	Fund	Prior-Year Actual FY 06-07	Appropriation FY 07-08	Supplemental Request FY 07-08	Total Revised Request FY 07-08	Base Request FY 08-09	Decision/ Base Reduction FY 08-09	November 1 Request FY 08-09	Budget Amendment FY 08-09	Total Revised Request FY 08-09	Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	2,861,494	1,617,528	0	1,617,528	1,617,528	1,300,000	2,917,528	0	2,917,528	1,300,000
	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	1,430,747	808,764	0	808,764	808,764	650,000	1,458,764	0	1,458,764	650,000
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	1,430,747	808,764	0	808,764	808,764	650,000	1,458,764	0	1,458,764	650,000
(1) Executive Director's Office	Total	2,861,494	1,617,528	0	1,617,528	1,617,528	1,300,000	2,917,528	0	2,917,528	1,300,000
Administrative Case Management	FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GF	1,430,747	808,764	0	808,764	808,764	650,000	1,458,764	0	1,458,764	650,000
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	0	0	0	0	0	0	0	0	0	0
	FF	1,430,747	808,764	0	808,764	808,764	650,000	1,458,764	0	1,458,764	650,000
Letternote revised text: Cash Fund name/number, Federal Fund Grant name: FF: Title XIX IT Request: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Request Affects Other Departments: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, List Other Departments Here: Department of Human Services											

**CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE**

Department:	Health Care Policy and Financing
Priority Number:	DI-15
Change Request Title:	Accuracy in Budgeting - Administrative Case Management

**SELECT ONE (click on box):**

- ☒ Decision Item FY 08-09  
☐ Base Reduction Item FY 08-09  
☐ Supplemental Request FY 07-08  
☐ Budget Request Amendment FY 08-09

**SELECT ONE (click on box):**

Supplemental or Budget Request Amendment Criterion:

- ☒ Not a Supplemental or Budget Request Amendment  
☐ An emergency  
☐ A technical error which has a substantial effect on the operation of the program  
☐ New data resulting in substantial changes in funding needs  
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

This Request is for an increase of \$1,300,000 for the Administrative Case Management line. This increase would be offset by a corresponding decrease in the Department of Human Services budget resulting in no actual impact on the overall General Fund in the State.

Background and Appropriation History:

Administrative Case Management was approved by the federal Centers for Medicare and Medicaid Services for 50% federal financial participation in August 2005. Before the passage of SB 06-219, the Department of Human Services, through the county departments of social services, had the responsibility for locating, coordinating, evaluating, and monitoring necessary and appropriate services for recipients of Medicaid benefits in the Child Welfare and Family and Children's Programs. Appropriations for this case management were originally contained in the above mentioned Medicaid transfer line items for FY 06-07 at \$588,944 and \$1,004,680, respectively (see pg. 120 of HB 06-1385 as introduced). With the passage of SB 06-219, funding for Administrative Case Management related to Medicaid was transferred from the Department of Human Services

Medicaid-Funded Programs, Division of Child Welfare to the Department's (1) Executive Director's Office Long Bill group.

To determine what portion of county expenditures are for Medicaid related programs, the departments use the federally-approved random moment sampling currently performed by the Department of Human Services. This allows the departments to allocate funding across all programs in each department in which counties incur expenditures that require State reimbursement. This method of allocating the funds was not affected by the passage of SB 06-219.

In addition, 24-75-106 (1), C.R.S. (2007) provides the departments the authority during a fiscal year to transfer General Fund between the Department of Human Services, (5) Division of Child Welfare, Child Welfare Services and Family and Children's Programs, and the Department of Health Care Policy and Financing's (1) Executive Director's Office, Administrative Case Management appropriation to obtain maximum federal funding for Medicaid services as allowed under law. During FY 06-07, the Department of Health Care Policy and Financing received a transfer on February 2, 2007 of \$650,000 General Fund, which resulted in the Department being able to draw down an additional \$650,000 in federal funds. This transfer was made based on the actual expenditures allocated to each department during FY 06-07 and to maximize the federal funding since all Medicaid expenditures for this purpose received a 50% federal match.

General Description of Request:

The Department is requesting an increase of \$1,300,000 in total funds, split equally between General Fund and federal funds, for the Administrative Case Management line. This General Fund increase would be offset by an equal decrease in General Fund in the Department of Human Services' budget. The total budgetary effect to the Department of Human Services is likely to be less than \$1,300,000 since it receives an equal or lower federal financial participation than is available to Medicaid related programs. While the Department has the authority per 24-75-106 (1), C.R.S. (2007) to transfer spending authority between the departments, the Department believes that this change should occur through the budget process to ensure budget accuracy.

Reimbursement for Administrative Case Management to the counties is allocated based on random moment sampling statistics collected by the Department of Human Services. While these statistics are updated on a quarterly basis, the overall allocation between benefiting programs does not change to a large extent. Therefore, the Department is requesting that FY 06-07 experience be used to estimate anticipated reimbursement amounts from each department in FY 08-09.

Consequences if Not Funded:

If this request is not approved, the Department will use its transfer authority that currently exists between the Department and the Department of Human Services to ensure that the State is able to maximize federal funding. However, budget amounts in both departments' Long Bill appropriations will not likely reflect how expenditures will occur.

Calculations for Request:

<b>Summary of Request FY 08-09</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Federal Funds</b>
Total Request	\$2,917,528	\$1,458,764	\$1,458,764
Decision Item Request	\$1,300,000	\$650,000	\$650,000
(1) Executive Director's Office, Administrative Case Management	\$1,617,528	\$808,764	\$808,764

<b>Summary of Request FY 09-10</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Federal Funds</b>
Total Request	\$2,917,528	\$1,458,764	\$1,458,764
Decision Item Request	\$1,300,000	\$650,000	\$650,000
(1) Executive Director's Office, Administrative Case Management	\$1,617,528	\$808,764	\$808,764

Assumptions for Calculations:

The Department assumes that the level of expenditures that occurred for each department during FY 06-07 will continue through FY 08-09. Given that this program has only been in existence since 2005, and the transfer of appropriations to the Department did not occur until 2006, the Department does not have adequate data to make a more accurate estimate of the expenditures for FY 08-09. However, it is not anticipated that the random moment

sampling statistics will vary greatly from year to year without significant policy or economic changes.

Impact on Other Government Agencies:

This request has an impact on the Department of Human Services' Budget Request. The Department of Human Services will reduce its appropriation for programs related to the Administrative Case Management by \$650,000 in General Fund and any corresponding federal match. This request only changes the appropriation level for both departments, but does not have an impact on actual expenditures. Due to the transfer authority provided per 24-75-106 (1), C.R.S. (2007), the departments will continue to monitor the actual expenditures and transfer spending authority as needed to maximize federal financial participation.

Cost Benefit Analysis:

None

Statutory and Federal Authority:

*25.5-1-120 (1), (a) C.R.S. (2007). For carrying out the duties and obligations of the state department and county departments under the provisions of this title and for matching such federal funds or meeting maintenance of effort requirements as may be available for public assistance and welfare activities in the state, including medical assistance administration and related activities, the general assembly, in accordance with the constitution and laws of the state of Colorado, shall make adequate appropriations for the payment of such costs, pursuant to the budget prepared by the executive director.*

*24-75-106 (1), C.R.S. (2007). Notwithstanding the effect of the "M" provision in the 1990-91 and subsequent general appropriation acts, the governor may transfer unlimited amounts of general fund and cash funds exempt appropriations to and from the departments of health care policy and financing and human services when required by changes from the appropriated levels in the amount of Medicaid cash funds earned through programs or services provided under the supervision of the department of human services or the department of health care policy and financing.*

Performance Measures:

This Change Request would provide the Department the ability to achieve the following performance measure:

- Maintain or reduce the difference between the Department's spending authority and actual expenditures for Medicaid services.